

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3771-02
BILL NO.: HCS for HB 1574 and 1640
SUBJECT: Health Care; Health Care Professionals; Hospitals; Medical Procedures and
Personnel
TYPE: Original
DATE: February 4, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$200,480)	(\$218,719)	(\$225,177)
Total Estimated Net Effect on <u>All</u> State Funds	(\$200,480)	(\$218,719)	(\$225,177)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services** and the **Missouri Health Facilities Review Committee** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Health (DOH)** assume they would use the Rapid Application Design (RAD) techniques to determine the requirements and to design the register for embryo laboratories that provide reproductive technology services. DOH states the register would be included as part of the department's existing MOHSAIC server using Oracle. DOH states that because the department already has the infrastructure for an integrated public health system, no equipment or software is included in the fiscal impact. DOH states that through voluntary reporting they are aware of eighteen physicians that may be affected by the requirements of this proposal. DOH states there could possibly be another twenty to thirty or more physicians and laboratories that may be included in this proposal. DOH assumes a Computer Information Technician III would be responsible for conducting the RAD sessions, designing and coding the register, and maintaining it once it is operable. One Health Facility Consultant I, with laboratory expertise, would be needed to assess complaints and assist in data assessment and to be responsible for assuring all embryo labs are registered in the state. This position would also prepare a report for the leaders of the General Assembly as required by this proposal. This position would also prepare any regulations required to carry out registration and fee collection. One Clerk Typist II would provide support for the registration, fee collection, and clerical support for professional staff performing the complaint intake for embryo labs. This position would also assist in the preparation of the legislative report.

Oversight has reduced the personal services costs to reflect current beginning expenditures for new positions. **Oversight** also assumes that one Health Facility Consultant I would be needed for the reproductive technology services program of this proposal.

Officials from the **Department of Social Services**, the **Missouri Health Facilities Review Committee**, and **Cooper County Memorial Hospital** assume this proposal would not fiscally impact their agencies.

Department of Health (DOH) officials assume benchmarks would be established and data analyzed to determine if hospitals would be in compliance with patient safety and regulatory accountability standards. DOH states a committee of ten members would be appointed to determine what types of data would be submitted for the alternative compliance method to indicate if the hospital is or is not operating in compliance with state regulations. DOH assumes one Research Analyst III would develop a database for entering the forms, develop and run

ASSUMPTION (continued)

reports, and train users on the forms. This position would also develop procedures and an instructional manual. One Health Facility Consultant I would review the data results as received from the Research Analyst to determine areas of the regulations for hospital operations that are not in compliance. One Clerk Typist II would input the data and do follow-up to assure program participants are providing the required data timely and in appropriate form.

Oversight has reduced the personal services costs to reflect current beginning expenditures for new positions.

Barton County Memorial Hospital, Cass Medical Center, Excelsior Springs Medical Center, Lincoln County Memorial Hospital, Pemiscot Memorial Hospital, Phelps County Regional Medical Center, Ray County Memorial Hospital, Samaritan Memorial Hospital, and Ste. Genevieve Memorial Hospital did not respond to our fiscal impact request.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

<u>Costs - Department of Health</u>			
Personal services (4 FTE)	(\$105,100)	(\$129,904)	(\$132,505)
Fringe benefits	(\$32,318)	(\$39,945)	(\$40,745)
Expense and equipment	(\$63,062)	(\$48,870)	(\$51,927)
Total <u>Costs</u> - Department of Health	<u>(\$200,480)</u>	<u>(\$218,719)</u>	<u>(\$225,177)</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$200,480)</u>	<u>(\$218,719)</u>	<u>(\$225,177)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small medical practices may be affected to the extent they would incur additional administrative costs and licensure expenditures as a result of the requirements of this proposal.

DESCRIPTION

This proposal would require the Department of Health to use the following standards for enforcing hospital licensure regulations as contained in Sections 197.010 to 197.120 RSMo, the Hospital Licensing Law. The proposal would: (1) require hospitals to develop and implement a plan of correction for a deficiency as approved by the Department of Health when hospitals receive notification of a deficiency in meeting regulatory standards; and (2) require the department to direct hospitals to develop and implement another approved plan of correction for a continuing deficiency or to require hospitals to implement an approved plan of correction developed by the department. If a deficiency in a hospital continues after the department specifies the corrective order to be taken by the hospital and the hospital has had the opportunity to correct the deficiency, the department (in successive order) could: (1) restrict new inpatient admissions or outpatient entrants to the service or services affected by the deficiency; (2) suspend operations in all or part of the hospital service or services affected by the deficiency; or (3) deny, suspend, or revoke the hospital's license. If a hospital deficiency presents a clear and present danger to patients, the department could restrict access to the service or services affected based on the scope and severity of the deficiency until approved corrective actions are taken by a hospital. The determination of a deficiency which constitutes a clear and present danger would be made in accordance with guidelines established by the department and approved by the Director of the Bureau of Health Facility Licensing.

A hospital could appeal the corrective measures required by this proposal to the Administrative Hearing Commission and seek judicial review. Appeals on specified corrective actions would be heard on an expedited basis. If the hospital and the department agree, prior to the appeal to the Administrative Hearing Commission, actions could be appealed to a departmental hearing officer. The department would be required to establish regulations governing the departmental hearing process.

The proposal would allow the department and hospitals to jointly design and implement a pilot project to develop an alternative model for enforcing hospital standards. The alternative model could be applied in hospitals or multi-hospital systems. Components and regulations of the pilot project are stated in the proposal.

The proposal would also authorize the Department of Health to develop a registration program for embryo laboratories that provide assistive reproductive technology (ART) services. The DESCRIPTION (continued)

purpose of the registration program would be to provide consumers accurate information on

L.R. NO. 3771-02
BILL NO. HCS for HB 1574 and 1640
PAGE 5 OF 5
February 4, 2000

fertility resources, practices, and procedures. Beginning January 1, 2001, all laboratories that provide ART procedures and services for the treatment of infertility would be required to register with the department in order to operate in Missouri. The proposal specifies the content of the registration information, type of registration information submitted by embryo laboratories, and the requirement to provide clients with information on ART laboratories prepared by the department. It would also require the department to provide information on ART laboratories to consumers, act as an intermediary between a complainant and an ART laboratory, and prepare a report on the registration information, success rates, and recommendations. The report would be submitted to the Speaker of the House of Representatives, the President Pro Tem of the Senate, and the chairs of the House and Senate Public Health Committees by January 1, 2003. The department could also establish a fee to cover the costs associated with the registration program.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health
Missouri Health Facilities Review Committee
Department of Social Services
Cooper County Memorial Hospital

NOT RESPONDING: Barton County Memorial Hospital, Cass Medical Center, Excelsior Springs Medical Center, Lincoln County Memorial Hospital, Pemiscot Memorial Hospital, Phelps County Regional Medical Center, Ray County Memorial Hospital, Samaritan Memorial Hospital, Ste. Genevieve County Memorial Hospital



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Director
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